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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Universe International Financial Holdings Limited, you should at once hand this circular and the accompanied form of proxy, to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale(s) or transfer(s) was effected for transmission to the purchaser(s) or transferee(s).

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UNIVERSE INTERNATIONAL FINANCIAL HOLDINGS LIMITED 寰宇國際金融控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1046)

- (1) GRANT OF GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE NEW SHARES;
(2) REFRESHMENT OF THE 10% SCHEME LIMIT
UNDER THE SHARE OPTION SCHEME;
(3) RE-ELECTION OF DIRECTOR;
(4) APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR;
AND
(5) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company to be held at 12:00 noon on Wednesday, 30 November 2016 at 18th Floor, Wyler Centre Phase II, 192-200 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong is set out on pages AGM-1 to AGM-6 of this circular.

Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

31 October 2016

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“10% Scheme Limit”	the limit imposed under the rules of the Share Option Scheme on the total number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme, being 10% of the number of issued Shares as at the date of adoption of the Share Option Scheme and thereafter, if refreshed, shall not exceed 10% of the number of issued Shares as at the date of approval of the Proposed Refreshment by the Shareholders
“AGM”	the annual general meeting of the Company convened to be held at 12:00 noon on Wednesday, 30 November 2016 at 18th Floor, Wyler Centre Phase II, 192-200 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong, the notice of which is set out in pages AGM-1 to AGM-6 of this circular
“Board”	the board of Directors
“Bye-Laws”	the existing bye-laws of the Company and “Bye-Law” shall be construed accordingly
“Capital Reorganisation”	the reorganisation of the share capital of the Company involving (a) the share consolidation of every ten (10) then issued and unissued Shares of HK\$0.01 each in the share capital of the Company into one (1) consolidated share of HK\$0.10 each in the share capital of the Company (“Consolidated Share” and “Consolidated Shares” shall be construed accordingly); (b) the reduction of the issued share capital of the Company through a cancellation of the paid-up capital of the Company to the extent of HK\$0.09 on each of the issued Consolidated Shares such that the nominal value of each issued Consolidated Share be reduced from HK\$0.10 to HK\$0.01; and (c) the sub-division of each of the authorised but unissued Consolidated Shares of HK\$0.10 each into ten (10) Shares of HK\$0.01 each, as more particularly set out in the circular of the Company dated 23 February 2016, which became effective on 18 March 2016
“Companies Act”	the Companies Act 1981 of Bermuda (as amended)

DEFINITIONS

“Company”	Universe International Financial Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange (Stock code: 1046)
“Director(s)”	the director(s) of the Company for the time being and from time to time
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the General Mandate
“General Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to exercise all powers of the Company to allot, issue or otherwise deal with Shares up to a maximum of 20% of the number of issued Shares as at the date of passing the relevant resolution as set out in resolution numbered 5 in the notice convening the AGM
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	25 October 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Proposed Refreshment”	the proposed refreshment of the 10% Scheme Limit under the Share Option Scheme at the AGM
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to repurchase Shares, which shall not exceed 10% of the number of issued Shares as at the date of passing the relevant resolution as set out in resolution numbered 4 in the notice convening the AGM

DEFINITIONS

“Rights Issue”	the issue of new Shares by way of rights issue as set out in the circular of the Company dated 12 August 2016 and completed on 6 October 2016
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company created as a result of the Capital Reorganisation, being the existing Shares
“Share Option Scheme”	the share option scheme of the Company adopted by the Company pursuant to an ordinary resolution of the Shareholders passed on 2 December 2013
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



寰宇

UNIVERSE INTERNATIONAL FINANCIAL HOLDINGS LIMITED

寰宇國際金融控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1046)

Executive Directors:

Mr. Lam Shiu Ming, Daneil

Mr. Hung Cho Sing

Mr. Lam Kit Sun

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Non-executive Director:

Mr. Chan Shiu Kwong Stephen

*Head office and principal place of
business in Hong Kong:*

Independent non-executive Directors:

Mr. Lam Chi Keung

Mr. Choi Wing Koon

Mr. Lam Wing Tai

18th Floor

Wyler Centre Phase II

192-200 Tai Lin Pai Road

Kwai Chung

New Territories

Hong Kong

31 October 2016

To the Shareholders

Dear Sir/Madam

**(1) GRANT OF GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE NEW SHARES;
(2) REFRESHMENT OF THE 10% SCHEME LIMIT
UNDER THE SHARE OPTION SCHEME;
(3) RE-ELECTION OF DIRECTOR; AND
(4) APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR**

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding (i) the grant of the Repurchase Mandate, the General Mandate and the Extension Mandate; (ii) the Proposed Refreshment; (iii) the proposed re-election of Director; and (iv) the proposed appointment of an independent non-executive Director, and to give you notice of the AGM.

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2. GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES

The general mandates granted to the Directors to allot, issue and deal with the unissued Shares in the amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company and to repurchase Shares at the annual general meeting of the Company held on 30 November 2015 will expire at the conclusion of the AGM. In order to give the Company the flexibility to repurchase and issue Shares if and when appropriate, the following ordinary resolutions will be proposed at the AGM to approve the grant of new general mandates to the Directors:

- (a) to repurchase Shares on the Stock Exchange of up to 10% of the number of issued Shares on the date of passing such resolution (i.e. 53,332,227 Shares assuming that the total number of Shares in issue remains the same at 533,322,276 Shares from the Latest Practicable Date up to the date of passing such resolution);
- (b) to allot, issue or deal with Shares of up to 20% of the number of issued Shares on the date of passing such resolution (i.e. 106,664,455 Shares assuming that the total number of Shares in issue remains the same at 533,322,276 Shares from the Latest Practicable Date up to the date of passing such resolution); and
- (c) to extend the General Mandate by an amount representing the number of Shares repurchased by the Company pursuant to and in accordance with the Repurchase Mandate.

The Repurchase Mandate and the General Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the AGM or any earlier date as referred to in the proposed ordinary resolutions contained in items 4 and 5 of the notice of the AGM as set out on pages AGM-1 to AGM-6 of this circular. With reference to the Repurchase Mandate and the General Mandate, the Directors wish to state that they have no immediate plan to repurchase any Shares or issue any Shares pursuant thereto.

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the grant of the Repurchase Mandate. The explanatory statement for such purpose is set out in Appendix II to this circular.

3. REFRESHMENT OF THE 10% SCHEME LIMIT UNDER THE SHARE OPTION SCHEME

Under the rules of the Share Option Scheme:

- (1) the total number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Group is subject to the 10% Scheme Limit; and

LETTER FROM THE BOARD

- (2) the total number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Group must not in aggregate exceed 30% of the Shares in issue from time to time.

The Company may seek approval from the Shareholders in general meeting for refreshing the 10% Scheme Limit so that the total number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Group shall be reset at 10% of the Shares in issue as at the date of approval of the limit as “refreshed”. In this connection, options previously granted under the Share Option Scheme and any other share option schemes of the Group (including options outstanding, cancelled, lapsed or exercised) will not be counted for the purpose of calculating the 10% Scheme Limit as “refreshed”.

The Company adopted the Share Option Scheme on 2 December 2013. The existing 10% Scheme Limit is 148,149,092 shares of HK\$0.01 each in the share capital of the Company (each, a “Pre-Reorganisation Share”) before the Capital Reorganisation (adjusted to 14,814,909 Shares as a result of the Capital Reorganisation), being 10% of the shares of the Company in issue as at 30 November 2015 (i.e. the date of the annual general meeting of the Company at which the refreshment of the existing 10% Scheme Limit was approved by the Shareholders). Share options entitling the holders thereof to subscribe for an aggregate of 97,793,000 Pre-Reorganisation Shares (adjusted to 11,093,657 Shares as a result of the Capital Reorganisation and the Rights Issue), representing 6.60% of the issued share capital of the Company as at 30 November 2015, have been granted under the existing 10% Scheme Limit up to the Latest Practicable Date. As at the Latest Practicable Date, all such share options remained outstanding and none of such share options have been exercised, lapsed or cancelled. In addition, share options entitling the holders thereof to subscribe for 2,351,799 Shares granted under previous 10% Scheme Limits were outstanding as at the Latest Practicable Date. Accordingly, share options entitling the holders thereof to subscribe for an aggregate of 13,445,456 Shares granted since the adoption of the Share Option Scheme remained outstanding as at the Latest Practicable Date, representing 2.52% of the issued share capital of the Company as at the Latest Practicable Date.

As disclosed above, the existing 10% Scheme Limit has been substantially utilised. Since the refreshment of the Share Option Scheme on 30 November 2015, the total number of issued Shares has been increased as a result of certain equity issue fund raising exercises of the Company (including but not limited to the Rights Issue). If the 10% Scheme Limit is not refreshed, the Board can only grant further share options entitling the holders thereof to subscribe for less than approximately 0.7% of the number of the issued Shares as at the Latest Practicable Date, under the existing 10% Scheme Limit.

The Directors consider that it is in the interests of the Company and the Shareholders as a whole to refresh the 10% Scheme Limit so as to provide the Company with greater flexibility in granting share options to eligible participants under the Share Option Scheme and to provide such eligible participants with incentive or rewards for their contributions to the Group. For these reasons, the Directors will propose the passing of an ordinary resolution at the AGM for “refreshing” the 10% Scheme Limit.

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Pursuant to the note to Rule 17.03(4) of the Listing Rules, unless approved by Shareholders in the manner set out in the note to Rule 17.03(4) of the Listing Rules, the total number of Shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the Shares in issue. Where any further grant of options to a participant would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant must be separately approved by Shareholders in general meeting with such participant and his close associates (or his associates if the participant is a connected person) abstaining from voting.

On the basis of 533,322,276 Shares being in issue as at the Latest Practicable Date and assuming that the issued share capital of the Company will not change prior to the AGM, the total number of Shares which may be issued upon exercise of all share options that may be granted under the 10% Scheme Limit so refreshed is 53,332,227 Shares.

The refreshment of the 10% Scheme Limit is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders at the AGM to approve the Proposed Refreshment; and
- (b) the Stock Exchange granting the listing of, and permission to deal in, such number of Shares, representing 10% of the issued Shares as at the date of the AGM, which may fall to be allotted and issued pursuant to the exercise of the options to be granted under the Share Option Scheme within the 10% Scheme Limit so refreshed.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, such number of Shares, representing 10% of the issued Shares as at the date of the AGM, which may fall to be issued pursuant to the exercise of the options to be granted under the Share Option Scheme within the 10% Scheme Limit so refreshed.

4. RE-ELECTION OF DIRECTOR

Pursuant to Bye-laws 87(1) and 87(2) of the Bye-laws, at each annual general meeting, not less than one third of the Directors for the time being, or, if their number is not a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation. In addition, the Listing Rules provide that every director should be subject to retirement by rotation at least once every three years. The retiring Directors shall be eligible for re-election. As such, Mr. Lam Shiu Ming, Daneil, Mr. Chan Shiu Kwong Stephen and Mr. Lam Wing Tai shall retire at the AGM. Mr. Lam Shiu Ming, Daneil, being eligible, will offer himself for re-election at the AGM.

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Mr. Chan Shiu Kwong Stephen will not offer himself for re-election as a non-executive Director and Mr. Lam Wing Tai will not offer himself for re-election as independent non-executive Director. Following Mr. Lam Wing Tai's retirement, he will cease to be the chairman of the audit committee of the Board ("**Audit Committee**"), a member of each of the remuneration committee of the Board ("**Remuneration Committee**") and the nomination committee of the Board ("**Nomination Committee**").

Further particulars of Mr. Lam Shiu Ming, Daneil are set out in Appendix I to this circular.

5. APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

Pursuant to Bye-law 88 of the Bye-laws, the Board recommends Ms. Cheng Lo Yee to be appointed as an independent non-executive Director with effect from the conclusion of the AGM, subject to the passing of the resolution appointing Ms. Cheng Lo Yee as an independent non-executive Director at the AGM. Subject to the passing of such resolution, the Board proposes to appoint Ms. Cheng Lo Yee to be a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee upon her appointment becoming effective.

Further particulars of Ms. Cheng Lo Yee are set out in Appendix I to this circular.

6. AGM

The notice of the AGM is set out on pages AGM-1 to AGM-6 of this circular. At the AGM, resolutions will be proposed to approve, inter alia, the re-election of Director, the appointment of an independent non-executive Director, the grant of the Repurchase Mandate, the General Mandate and the Extension Mandate and the Proposed Refreshment.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, no Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM under the Listing Rules. All the resolutions put to vote at the AGM will be decided by way of poll as required by the Listing Rules (except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands).

LETTER FROM THE BOARD

7. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

8. RECOMMENDATION

The Directors consider that the grant of the Repurchase Mandate, the General Mandate and the Extension Mandate, the Proposed Refreshment, the re-election of Director and the appointment of an independent non-executive Director are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

9. GENERAL

Your attention is drawn to the additional information set out in Appendix I (Details of the Director proposed to be re-elected and the independent non-executive Director proposed to be appointed) and Appendix II (Explanatory Statement on the Repurchase Mandate) to this circular.

Yours faithfully

For and on behalf of the Board

Universe International Financial Holdings Limited

Lam Shiu Ming, Daneil

Chairman and Executive Director

The following are the particulars of Mr. Lam Shiu Ming, Daneil, who will retire by rotation at the AGM and being eligible, will offer himself for re-election.

Mr. Lam Shiu Ming, Daneil, chairman and executive Director

Mr. LAM Shiu Ming, Daneil (“**Mr. Lam**”), aged 54, is the founder and chairman of the Group. He is involved in marketing, corporate strategy, business planning and development and overall management of the Group. Mr. Lam has 34 years of experience in the film industry in Hong Kong. He was awarded the “Young Industrialist Awards of Hong Kong” by the Federation of Hong Kong Industries in 2002.

Mr. Lam is the founder of a discretionary trust under which certain immediate family members of Mr. Lam are discretionary objects. The trustee of the said discretionary trust is Central Core Resources Limited which owns the entire issued share capital of Globalcrest Enterprises Limited and Globalcrest Enterprises Limited in turn, is interested in 17,021,853 Shares. As at the Latest Practicable Date, Mr. Lam was was a director of various Subsidiaries, namely, Universe Films (Holdings) Limited, Universe Laser & Video Co. Limited, Universe Management Services Limited, Universe Digital Entertainment Limited, Universe Films Distribution Company Limited, Unique Model Limited, Universe Films Acquisition Limited, Universe Information & Entertainment Limited, Universe Entertainment Limited, Universe Pictures International Limited, Universe Industrial Development Limited, Digital Program Production Limited, Universe Property Investment Limited, Universe (China) Development Limited, Globalink Advertising Limited, Century Creator Company Limited, Matrix Productions Company Limited, Universe International Technology Limited, Universe Artiste Management Limited, Films Station Production Limited, Elite Master Holding Limited, Universe Music Limited, Universe Intellectual Property Limited, Joy Talent Investment Limited, Mutual Faith Investment Limited, Group Mega International Limited, Universe Matrix Films Investment Limited, 寰宇縱橫世紀電影發行(北京)有限公司, Fragrant River Entertainment Culture (Holdings) Limited, Weluck Development Limited, Fragrant River Asia Investment Limited, Fragrant River Culture Investment Limited, Great Harbour Enterprises Limited, Universe International Holdings Limited, Valiant Power Holdings Limited, Universe Financial Communication Limited, Urban King Holdings Limited, Fragrant River Entertainment Investment Limited, Precise Reach Group Limited, Ample China Development Limited and Gold Summit International Limited.

Mr. Lam was also appointed as a member of each of the Nomination Committee and the Remuneration Committee.

Pursuant to a service agreement dated 29 September 2014 between the Company and Mr. Lam, Mr. Lam was appointed as an executive Director for a term of 3 years with effect from 1 July 2014, subject to retirement by rotation and re-election in accordance with the bye-laws of the Company. The monthly remuneration payable under the service agreement is HK\$165,375 which was determined by reference to his duties and responsibilities to the Company. Mr. Lam is entitled to a housing allowance

of HK\$100,000 per month and subject to the absolute discretion of the Board, Mr. Lam is also entitled to an annual discretionary bonus having regard to his performance and the operating results of the Group in the relevant financial year.

As at the Latest Practicable Date, save as disclosed above, Mr. Lam: (1) had not previously held any position with the Company or any of its Subsidiaries; (2) had not had any other directorships in any listed public companies in the last three years; (3) was not connected with any Directors, senior management or substantial Shareholders (having the meaning ascribed to it under the Listing Rules) or controlling Shareholders (having the meaning ascribed to it under the Listing Rules) of the Company; and (4) did not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above the Directors are not aware of any other matters regarding the proposed re-election of Mr. Lam that need to be brought to the attention of the Shareholders, and there is no information to be disclosed pursuant to the requirements under Rules 13.51(2) of the Listing Rules.

Set out below are the particulars of Ms. Cheng Lo Yee, who is proposed to be appointed as an independent non-executive Director at the AGM.

Ms. Cheng Lo Yee

Ms. Cheng Lo Yee (“**Ms. Cheng**”), aged 61, was employed by the Hong Kong Government as an Executive Officer from 1978 to 1992 and worked in various government departments including the Home Affairs Department, Social Welfare Department, Government Secretariat, and Office of Members of the Executive and Legislative Council (now called Legislative Council of the HKSAR). Her last rank was Senior Executive Officer. Ms. Cheng obtained a Bachelor of Arts in Business and Finance with Honours from the University of Portsmouth in England in 2003. Ms. Cheng is currently an independent non-executive director of China Demeter Investments Limited (stock code: 8120), the shares of which are listed on the Growth Enterprise Market (“**GEM**”) of the Stock Exchange.

Ms. Cheng was a director of Good Morning Limited (“**Good Morning**”), a private company incorporated in Hong Kong and was principally engaged in investment holding prior to its dissolution. Good Morning was dissolved by deregistration on 8 June 2007 pursuant to section 291AA of the then prevailing Companies Ordinance (Chapter 32 of the Laws of Hong Kong). To the best of the knowledge and belief of Ms. Cheng, Good Morning was solvent at the time when it was dissolved.

Pursuant to the letter of appointment to be made between Ms. Cheng and the Company, Ms. Cheng is proposed to be appointed as an independent non-executive Director with effect from the conclusion of the AGM for a fixed term of three years. Ms. Cheng’s appointment is subject to retirement by rotation and re-election at general meeting of the Company in accordance with the Bye-laws. The annual director’s fee of Ms. Cheng is proposed to be HK\$130,000 with reference to Ms. Cheng’s responsibilities, the Company’s remuneration policy and the prevailing market conditions.

As at the Latest Practicable Date, save as disclosed above, Ms. Cheng: (1) had not previously held any position with the Company or any of its subsidiaries; (2) had not had any other directorships in any listed public companies in the last three years; (3) was not connected with any Directors, senior management or substantial Shareholders (having the meaning ascribed to it under the Listing Rules) or controlling Shareholders (having the meaning ascribed to it under the Listing Rules) of the Company; and (4) did not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above there are no other matters regarding the proposed appointment of Ms. Cheng that need to be brought to the attention of the Shareholders, and there is no further information to be disclosed pursuant to the requirements under Rule 13.51(2) of the Listing Rules.

APPENDIX II EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

The following explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) of the Listing Rules to enable the Shareholders to make an informed decision on whether to vote for or against the resolution to approve the grant of the Repurchase Mandate to the Directors.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 533,322,276 Shares. Subject to the passing of resolution no. 4 approving the Repurchase Mandate as set out in the notice convening the AGM on pages AGM-1 to AGM-6 of this circular, and assuming that the issued share capital of the Company will not change prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 53,332,227 Shares until (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws, the Companies Act or any other applicable laws of Bermuda to be held; or (iii) the revocation or variation by ordinary resolution of the Shareholders in general meeting, whichever is the earliest.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the interests of the Company and the Shareholders as a whole to have a general authority from the Shareholders to enable the Directors to repurchase Shares on the market. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and the Bye-Laws, the Companies Act, the laws of Bermuda and/or any other applicable laws, as the case may be.

The Companies Act provides that a company may only repurchase its own shares out of capital paid up on its shares to be repurchased, or out of funds of the company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of shares made by the company for the purpose. Any amount of premium payable on a repurchase over the par value of the shares may only be effected out of either funds of the company that would otherwise be available for dividend or distribution, or out of the company's share premium account. Further, such repurchase may not be made if, on the date on which the repurchase is to be effected, there are reasonable grounds for believing that the company is, or after the repurchase would be, unable to pay its liabilities as they become due.

APPENDIX II EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

4. IMPACT OF REPURCHASES

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or gearing position of the Company as compared with the position as at 30 June 2016, the date to which the latest audited consolidated financial statements of the Group were made up.

5. SHARE PRICES

In each of the previous 12 months and up to the Latest Practicable Date, the highest and lowest prices at which the Shares were traded on the Stock Exchange are as follows:

Month	Per Share	
	Highest trading price HK\$	Lowest trading price HK\$
2015		
October	2.247*	1.428*
November	1.754*	1.454*
December	1.657*	1.137*
2016		
January	1.278*	0.643*
February	1.225*	0.467*
March	1.022*	0.643*
April	1.075*	0.749*
May	1.093*	0.687*
June	0.811*	0.687*
July	0.714*	0.520*
August	0.802*	0.441*
September	0.730*	0.630*
October (up to and including the Latest Practicable Date)	0.760	0.580

* *The prices of the Shares have been adjusted due to the effects of the 2016 Capital Reorganisation and, where appropriate, the Rights Issue.*

6. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate, in the event that the Repurchase Mandate is approved at the AGM by the Shareholders.

APPENDIX II EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company and no such person has undertaken not to sell any Shares held by him/her/it to the Company, in the event that the Repurchase Mandate is approved at the AGM by the Shareholders.

7. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases of the Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of Bermuda, and the memorandum of association of the Company and the Bye-Laws.

8. TAKEOVERS CODE IMPLICATIONS

If as a result of a share repurchase a shareholder's proportionate interest in the voting rights of the repurchasing company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. As a result, a shareholder or a group of shareholders acting in concert could obtain or consolidate control of a repurchasing company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

To the best of the Directors' knowledge and belief having made all reasonable enquiries, they are not aware of any consequence which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

The Directors have no intention to exercise the Repurchase Mandate to such extent that will result in the number of Shares in the hands of the public falling below the prescribed minimum percentage of 25%.

9. GENERAL

In the six months preceding the Latest Practicable Date, the Company had not repurchased any Share on the Stock Exchange or otherwise.

APPENDIX II EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

As at the Latest Practicable Date, to the best of the knowledge of the Directors, the following Shareholders are interested in 5% or more of the issued Shares as recorded in the register of interests in shares and short positions of the Company under Section 336(1) of Part XV of the SFO:

Name	Capacity	Number of Shares and underlying shares of the Company held (Note 3)	Approximate percentage of the total issued share capital of the Company
Unique Prosperity Limited (Note 1)	Beneficial owner	143,573,276 (L)	26.92%
Ms. Leung Yuet Kwan Belinda (Note 1)	Interest of a controlled corporation	143,573,276 (L)	26.92%
Mr. Ng Yau Sing (Note 1)	Interest of spouse	143,573,276 (L)	26.92%
Mr. Ling Koon Wah (Note 2)	Beneficial owner	75,599,865 (L)	14.18%

Notes:

1. According to the Disclosure of Interests Notice filed on 11 October 2016, Unique Prosperity Limited is the beneficial owner of 143,573,276 Shares, representing approximately 26.92% of the issued share capital of the Company as at the Latest Practicable Date. According to the aforesaid Disclosure of Interests Notice and certain notices filed by related parties, Unique Prosperity Limited is owned as to 95% by Ms. Leung Yuet Kwan Belinda and 5% by Mr. Ng Yau Sing. Mr. Ng Yau Sing is the spouse of Ms. Leung Yuet Kwan Belinda.
2. According to the Disclosure of Interests Notice filed on 7 October 2016, Mr. Ling Koon Wah is the beneficial owner of 75,599,865 Shares.
3. “L” denotes a long position.

NOTICE OF AGM



UNIVERSE INTERNATIONAL FINANCIAL HOLDINGS LIMITED 寰宇國際金融控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1046)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Universe International Financial Holdings Limited (“**Company**”) will be held at 12:00 noon on Wednesday, 30 November 2016 at 18th Floor, Wyler Centre Phase II, 192-200 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and the auditors of the Company for the year ended 30 June 2016.
2. (A) (i) To re-elect Mr. Lam Shiu Ming, Daneil as an executive director of the Company; and

(ii) to appoint Ms. Cheng Lo Yee as an independent non-executive director of the Company;

(B) To authorise to board of directors of the Company (“**Board**”) to fix the directors’ remuneration.
3. To re-appoint Crowe Horwath (HK) CPA Limited as auditors of the Company and to authorise the Board to fix their remuneration.

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As a special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

4. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company (“**Directors**”) during the Relevant Period (as defined below) of all the powers of the Company to repurchase (or agree to repurchase) its shares in the share capital of the Company (each, a “**Share**”) on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, be and the same is hereby generally and unconditionally approved;
- (b) the Shares which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent. of the number of issued Shares as at the date of passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly;
- (c) if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the number of Shares subject to the limit set out in paragraph (b) above shall be adjusted to the effect that the number of Shares subject to the limit set out in paragraph (b) above as a percentage of the total number of issued Shares immediately before and after such consolidation or subdivision shall be the same; and
- (d) for the purpose of this resolution, “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, the Companies Act 1981 of Bermuda (as amended) or any other applicable laws of Bermuda to be held; or
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors under this resolution.”

NOTICE OF AGM

5. “**THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company (“**Directors**”) during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with the authorised and unissued shares in the capital of the Company (each, a “**Share**”) and to make or grant offers, agreements or options, including warrants to subscribe for Shares, which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers after the expiration of the Relevant Period;
- (c) the aggregate number of Shares allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to or in consequence of: (i) a Rights Issue (as defined below); or (ii) the exercise of any option granted under any share option scheme or similar arrangements adopted by the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants, convertible bonds, debentures, notes or any securities issued by the Company which are convertible into Shares, shall not exceed the aggregate of:
 - (aa) 20 per cent. of the number of issued Shares as at the date of passing of this resolution; and
 - (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the Shares repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the number of issued Shares as at the date of passing of this resolution), and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly;
- (d) if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the number of Shares subject to the limit set out in paragraph (c) above shall be adjusted to the effect that the number of Shares subject to the limit set out in paragraph (c) above as a percentage of the total number of issued Shares immediately before and after such consolidation or subdivision shall be the same; and

NOTICE OF AGM

- (e) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, the Companies Act 1981 of Bermuda (as amended) or any other applicable laws of Bermuda to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors under this resolution;

“**Rights Issue**” means an offer of Shares, or an offer of warrants, options or other securities giving rights to subscribe for Shares, open for a period fixed by the Directors to holders of Shares whose names appear on the Company’s register of members on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

- 6. “**THAT** conditional upon the passing of resolutions nos. 4 and 5 above, the general mandate granted to the directors of the Company (“**Directors**”) pursuant to resolution no. 5 above be and is hereby extended by the addition to the number of shares of the Company which may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by the Directors pursuant to or in accordance with such general mandate of an amount representing the number of shares of the Company repurchased by the Company pursuant to or in accordance with the authority granted under resolution no. 4 above.”
- 7. “**THAT** subject to and conditional upon The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, such number of shares of the Company which may fall to be allotted and issued pursuant to the exercise of the options which may be granted under the share option scheme adopted by the Company pursuant to an ordinary resolution of the shareholders of the Company passed on 2 December 2013 (“**Share Option Scheme**”), representing 10 per cent. of the number of issued shares of the Company as at the date on which this resolution is passed, pursuant to the rules of the Share Option Scheme:

NOTICE OF AGM

- (a) approval be and is hereby granted for refreshing the 10 per cent. limit under the Share Option Scheme (“**Refreshed Scheme Mandate**”) provided that the total number of shares of the Company which may be allotted and issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company or its subsidiaries under the limit as refreshed hereby shall not exceed 10 per cent. of the shares of the Company in issue as at the date on which this resolution is passed (options previously granted under the Share Option Scheme and any other share option schemes of the Company or its subsidiaries (including options outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company or its subsidiaries) shall not be counted for the purpose of calculating the Refreshed Scheme Mandate);
- (b) the directors of the Company or a duly authorised committee thereof be and is/are hereby authorised: (i) at its/their absolute discretion, to grant options to subscribe for shares of the Company within the Refreshed Scheme Mandate in accordance with the rules of the Share Option Scheme, and (ii) to allot, issue and deal with shares of the Company pursuant to the exercise of options granted under the Share Option Scheme within the Refreshed Scheme Mandate; and
- (c) if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the number of shares of the Company that may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company or its subsidiaries under the Refreshed Scheme Mandate shall be adjusted to the effect that the number of shares of the Company that may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company or its subsidiaries under the Refreshed Scheme Mandate as a percentage of the total number of issued shares of the Company immediately before and after such consolidation or subdivision shall be the same.”

On behalf of the Board

Universe International Financial Holdings Limited

Lam Shiu Ming, Daneil

Chairman and Executive Director

Hong Kong, 31 October 2016

NOTICE OF AGM

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place of
business in Hong Kong:*

18th Floor
Wyler Centre Phase II
192-200 Tai Lin Pai Road
Kwai Chung
New Territories
Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the Meeting convened by the above notice shall be entitled to appoint one or more proxy to attend and, subject to the provisions of the bye-laws of the Company, to vote on his/her/its behalf. A proxy needs not be a member of the Company but must be present in person at the Meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, at the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
3. Completion and return of the form of proxy will not preclude a member of the Company from attending and voting in person at the Meeting or any adjournment thereof should he/she so wish, and in such case, the instrument appointing a proxy previously submitted shall be deemed to be revoked.
4. The above resolutions put to vote at the Meeting will be decided by way of poll as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

As at the date of this notice, the executive Directors are Mr. Lam Shiu Ming, Daneil, Mr. Hung Cho Sing and Mr. Lam Kit Sun, the non-executive Director is Mr. Chan Shiu Kwong Stephen, and the independent non-executive Directors are Mr. Lam Chi Keung, Mr. Choi Wing Koon and Mr. Lam Wing Tai.